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BOARD OF COMMISSIONERS
REGULAR MEETING May 23, 2005

ALEXANDER COUNTY
STATE OF NORTH CAROLINA

PRESENT: William L. Hammer, Chairman
 W. Darrell Robertson, Vice-Chairman
 Wesley E. Bolick
 W. Norris Keever
 Larry Yoder

STAFF: Rick French, County Manager
 Jamie Starnes, Clerk to the Board

MEDIA: Gary Herman, The Taylorsville Times

The Alexander County Board of Commissioners held a regular meeting on Monday, May 23, 2005 in the Catawba Valley Community College / Alexander Center Multipurpose Room, Taylorsville, North Carolina.

CALL TO ORDER

Chairman Hammer called the meeting to order at 6:00 PM.

INVOCATION & PLEDGE OF ALLEGIANCE

Commissioner Keever gave the invocation and also led the Pledge of Allegiance to the Flag.

COMMISSIONER'S REPORT

Chairman Hammer recognized Russell Greene, Emergency Services Director, who explained that N.C.G.S. 5885-7 pertained to matching grants provided for volunteer fire departments. He informed the Board that 6 of the 7 eligible departments from Alexander County applied and 5 were awarded grants including:

Ellendale Volunteer Fire Department - \$5,390
Hiddenite Volunteer Fire Department - \$10,750
Sugar Loaf Volunteer Fire Department - \$7,799
Wittenburg Volunteer Fire Department - \$16,905
Vashti Volunteer Fire Department - \$5,334

Mr. Greene noted that eligible fire departments set aside funding each year to provide matching funds for these grants in the event that one would be received. He also stated that these funds would be used to purchase much needed equipment.

Mr. Greene discussed the school bus accident that occurred on Silas Deal Road on Wednesday, May 18, 2005. The accident occurred at 7:00 AM and the last student was placed in route to the hospital at 7:46 AM. He stated that there were 2 students taken to Iredell Memorial Hospital, one of which was later taken to Baptist Hospital due to a severe laceration to the arm. Other injuries included minor cuts, scrapes, and bruises. Mr. Greene felt that the response time was great and that the situation was handled very well. He also mentioned that every emergency services organization in the County was represented and he commended these individuals for a job well done.

Chairman Hammer thanked everyone that helped at the school bus accident for their professionalism and for working well together.

Mr. Greene also reported that one of the Central Alexander Volunteer Fire Department's fire trucks was involved in an accident today at approximately 1:20 PM while responding to a call. Mr. Greene explained that the driver of the fire truck lost control of the vehicle, which overturned at the intersection of Linneys Mountain Road and Black Oak Ridge Road. He stated that the Highway Patrol was investigating the accident and he noted that no one was injured.

ADOPTION OF AGENDA

Commissioner Robertson made a motion to adopt the agenda as presented. Commissioner Keever seconded the motion. The Board voted unanimously in favor of the motion.

PUBLIC HEARING: REVOLVING LOAN FUND

David Icenhour, Economic Development Director, discussed the \$100,000 loan to The Mitchell Gold Company from the County's Revolving Loan Fund. He explained that the Revolving Loan Fund was established by the state in 1987 for the purpose of supporting local economic development projects that created new employment opportunities. Mr. Icenhour also pointed out that no local property taxes were used to create this fund.

Mr. Icenhour stated that the \$100,000 loan to The Mitchell Gold Company would be used for building improvements at the Mitchell Gold Too facility located in the former Bassett Upholstery Building, which would create 60-80 new jobs and an expanded tax base. He mentioned that The Mitchell Gold Company would pay back the loan by annual payments over a 7-year period at one percent interest.

Commissioner Keever asked if there were currently any outstanding loans in regard to the Revolving Loan Fund. Mr. Icenhour replied that there had been one outstanding loan that had recently been collected, bringing the Revolving Loan Fund up-to-date.

Chairman Hammer called the public hearing to order and requested any public comment. There being no public comment, Commissioner Keever made a motion to close the public hearing. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

Commissioner Keever made a motion to approve the \$100,000 loan for The Mitchell Gold Company from the County's Revolving Loan Fund to be paid back over a 7-year period at one percent interest. Commissioner Yoder seconded the motion. The Board voted unanimously in favor of the motion.

DISCUSSION OF TENTATIVE DATES FOR COMMISSIONERS' MEETING SCHEDULE

Chairman Hammer presented the last 6 months of the 2005 Commissioners' Meeting Schedule. He stated that staff had developed the schedule by working around specific conferences and conflicts; therefore, he noted that the meetings would not necessarily be held on the 1st and 3rd Mondays. The schedule was as follows:

July 25, 2005

August 8, 2005
August 22, 2005

September 12, 2005
September 26, 2005

October 10, 2005
October 24, 2005

November 7, 2005
November 21, 2005

December 5, 2005
December 19, 2005

Commissioner Keever made a motion to approve the last 6 months of the 2005 Commissioners' Meeting Schedule as presented. Commissioner Yoder seconded the motion. The Board voted unanimously in favor of the motion.

PROCLAMATION DECLARING JULY 2, 2005 AS "JANICE W. JONES DAY"

Commissioner Robertson presented a Proclamation Declaring July 2, 2005 as "Janice W. Jones Day" in Alexander County. He explained that Ms. Jones would be installed at the National President of Kappa Kappa Iota, a Professional Organization for Educators, on July 2, 2005 at the national convention in Savannah, Georgia.

Chairman Hammer, on behalf of the entire Board, congratulated Ms. Jones on this great achievement.

Commissioner Robertson made a motion to approve the Proclamation Declaring July 2, 2005 as "Janice W. Jones Day" in Alexander County. Commissioner Keever seconded the motion. The Board voted unanimously in favor of the motion.

BUDGET ORDINANCE AMENDMENTS #35 - #38

Rick French, County Manager, discussed the purpose of Budget Amendments #35 - #38, which included the following information:

Budget Amendment #35 – To transfer unused Smart Start Dental Grant funds to the Smart Start Daycare Program. To budget for additional state funds for AFP tests for the maternal health clinic.

Budget Amendment #36 – To budget for increased Medicaid costs. To budget for a settlement resulting from the Charter Communications audit.

Budget Amendment #37 – To amend the budget for the balance of IDA grant #01-C-0893 rolled over to new IDA grant #04-C-1320. (Project budget for new IDA grant adopted in March 2005.)

Budget Amendment #38 – To transfer funds from the DSS Capital Project to the Capital Fund in order to receive partial reimbursement from the state for the purchase of a phone system and furniture accounted for in the DSS budget.

Commissioner Keever made a motion to approve Budget Amendments #35 - #38. Commissioner Yoder seconded the motion. The Board voted unanimously in favor of the motion.

OTHER BUSINESS

Rick French, County Manager, discussed the following issues during Other Business:

- A. The public hearing for the 2005-2006 budget is scheduled for the June 6, 2005 Commissioners' Meeting at 6:00 PM in the CVCC / Alexander Center Multipurpose Room.

- B. The N.C. Outstanding Volunteer Service Award nominations are to be submitted to the Governor's Office no later than May 31, 2005. Nomination forms are to be given to Jamie Starnes, Clerk to the Board, once completed.
- C. The County was informed by the NCACC that HB1638 proposed by Representative Drew Saunders would eliminate the 911 surcharge on local access lines and substitute the revenues with a special use tax. Mr. French suggested the Board send a letter to Senator John Garwood and Representative Mark Hollo requesting their opposition to the bill.

CONSENT AGENDA

- A. Minutes from the May 9, 2005 Regular Commissioners' Meeting.
- B. Home and Community Care Block Grant FY 2006.
- C. Amendment to the GDS Franchise Agreement

Commissioner Robertson made a motion to approve the Consent Agenda. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

ADJOURNMENT

There being no further business for the regular session, Commissioner Robertson made a motion to adjourn at 6:25 PM and reconvene in the work session. Commissioner Keever seconded the motion. The Board voted unanimously in favor of the motion.

William L. Hammer, Chairman

Jamie M. Starnes, Clerk to the Board

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**BOARD OF COMMISSIONERS
WORK SESSION** May 23, 2005

**ALEXANDER COUNTY
STATE OF NORTH CAROLINA**

PRESENT: William L. Hammer, Chairman
W. Darrell Robertson, Vice-Chairman
Wesley E. Bolick
W. Norris Keever
Larry Yoder

STAFF: Rick French, County Manager
Jennifer Herman, Finance Director
Jamie Starnes, Clerk to the Board

MEDIA: Gary Herman, The Taylorsville Times

The Alexander County Board of Commissioners held a work session following the adjournment of the regular meeting.

CALL TO ORDER

Chairman Hammer called the work session to order at 6:25 PM.

2005-2006 BUDGET OVERVIEW

Rick French, County Manager, presented a 2005-2006 budget overview and summary, which included the following information:

- The General Fund proposed budget for 2005-2006 is \$26,885,055. This is a 6.3% increase or \$1,602,040 more than the current year's budget which totals \$25,283,015.
- A proposed 4.5 cent tax increase is included in the budget. The new tax rate would be .51 cents up from the current 46.5 cent tax rate. Most surrounding counties are proposing tax increases.
- The average tax rate in our region is 56 cents. Surry County's tax rate is 64 cents on the high side and Iredell County's tax rate is 43.5 cents on the low side.
- One cent on the Alexander County tax rate equals \$200,180 in revenue. In Surry County, a penny would generate \$413,092 and \$1,304,535 in Iredell County. Other counties are

Caldwell at \$428,604, Catawba at \$1,263,595, Burke at \$489,196, and Wilkes at \$440,976.

- Growth in tax revenue in Alexander County is less than 1.5% for the second year in a row which equals only \$190,000 in new revenue. The average growth is 4% to 5%.
- The following is a listing of departmental highlights:
 - \$ 400,000 – Increased costs for Alexander County Schools
 - \$ 200,000 – Medicaid costs (mandated)
 - \$ 320,500 – New dental program (grant)
 - \$ 187,800 – Increased costs for DSS (mandated)
 - \$ 299,000 – Local share of Health Department budget
 - \$ 134,000 – New debt for DSS addition
 - \$ 107,500 – Cost of living increase for county employees effective January 2006
 - \$ 99,400 – Increased costs for Transportation
 - \$ 91,000 – Elections capital outlay (mandated)
 - \$ 89,000 – New ambulance
 - \$ 75,000 – 3 new Sheriff's Department vehicles
 - \$ 66,000 – Increased costs for Jail operations
 - \$ 43,400 – Increase in automotive supplies

\$2,112,600 – Total

- The Board of Commissioners unanimously approved a one-cent local option sales tax resolution in February 2005. The one-cent local option sales tax would generate \$2 million in revenue and be shared by all citizens, not just property owners. Senator John Garwood supported the resolution and even introduced it; however, Representative Mark Hollow would not support the resolution. A local bill will not be considered in the General Assembly unless it has unanimous local support.
- Several reorganization issues are currently being reviewed but are not finalized at this time. Reorganizations may reduce up to 5 full-time and 2 part-time employees. In addition, state funding of several departments was reduced which could also impact county budgets.
- Several other issues such as the air quality budget for WPCOG and EMS billing are not resolved at this time.
- A 5% water rate increase is also proposed for water system improvements. County water rates would increase from \$2.66 to \$2.79 per 1000 gallons. The minimum of \$15.20 would remain the same.
- The fee for 911 Communications is proposed to increase from 80 cents to \$1.00 to provide funding for the Communications Project approved earlier in the year. The total cost for this project is estimated at \$560,658.

- There are no increases proposed for landfill fees or fire taxes at this time.
- Departmental budgets will be delivered on Tuesday, May 24, 2005. The Finance Committee will hear appeals on May 31, 2005. The public hearing on the 2005-2006 budget will be held on June 6, 2006 at 6:00 PM at CVCC.

Commissioner Robertson discussed how the decreased growth rate and increases in Medicaid costs caused the need for a tax increase. He also pointed out that the Senate had taken \$50 million in ADM funding from the school systems and replaced it with \$70 million from proceeds from a lottery that has not yet been approved. Mr. French noted that, if the lottery was not approved, the counties could be responsible for appropriating more funding to the school system to substitute the ADM funding.

Commissioner Kever mentioned that North Carolina was the only state left in the United States that passed on a portion of Medicaid costs to counties.

Mr. French stated that a proposal had been introduced in the General Assembly to take back the half-cent sales tax given to counties to replace the inventory tax reimbursements with the purpose of appropriating the sales tax to counties with the heaviest Medicaid cost burden. This would equal \$1.2 million in revenue from Alexander County.

Commissioner Yoder asked how increasing the proposed tax rate of 4.5 cent to 5 cents would change the budget. Mr. French stated that an extra half cent would generate approximately \$100,000 and would give the County a few other options with the budget such as hiring an additional law enforcement officer.

Commissioner Bolick mentioned there was no Fund Balance appropriated in the budget. Mr. French explained that staff wanted to protect the Fund Balance as much as possible; therefore, no Fund Balance was appropriated anywhere throughout the budget.

Mr. French stated that this was a very tight budget and he asked the Board to remain mindful of what the General Assembly was attempting to take away from counties during the upcoming year. He thanked the department heads and County employees for their understanding as well as Jennifer Herman, Finance Director, and her staff for their hard work.

Commissioner Robertson thanked Mr. French, Ms. Herman, and staff for working hard on the budget. He also pointed out that the Finance Department staff was learning new financial software during this time which also made the budget process more difficult and stressful.

Chairman Hammer also thanked Mr. French, Ms. Herman, and their staff for the hours they have put into this budget. He encouraged the citizens to review the proposed budget and to voice their opinions at the public hearing.

Commissioner Bolick also encouraged citizens who reviewed the budget to give the Board suggestions and solutions to fix problems instead of just complaints.

Commissioner Keever conveyed his appreciation to Mr. French and Ms. Herman as well as the department heads for their cooperation.

ADJOURNMENT

Commissioner Keever made a motion to adjourn at 6:56 PM. Commissioner Robertson seconded the motion. The Board voted unanimously in favor of the motion.

William L. Hammer, Chairman

Jamie M. Starnes, Clerk to the Board